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SUBJECT: TASHKENT TIDBITS OCTOBER 14, 2008

Classified By: P-E Chief Nicholas Berliner for reasons 1.4 b and d.

¶1. (U) This is the first edition a new weekly product from Embassy Tashkent intended to provide a space for a broader range of noteworthy developments from Uzbekistan that may not ordinarily be the subject of front channel reporting.

Uzbek FM Extols Virtues of Economic Model

¶2. (C) At an October 8 meeting with Ambassador on another subject, Foreign Minister Vladimir Norov raised the current global financial crisis in the context of efforts to attract foreign investment to Uzbekistan. Hardly concealing his smugness, Norov said that Uzbekistan had long pursued its own path in terms of economic development. Even though Uzbekistan had been criticized by some for its high degree of governmental involvement in the economy, including strict control of currency convertibility, Norov said, the current global economic crisis showed the need for governmental control to prevent abuses in the financial system.

Can,t Keep Reality at Bay Forever

¶3. (U) Separately, an Uzbek newspaper (Novosti Uzbekistana, October 3) concedes that the global credit crunch could affect Uzbek business, if not directly then indirectly in the form of reduced exports to trade partners experiencing decreased economic growth as a result of the crisis. "We must not forget that growth of exports has become the most important 'engine' of Uzbekistan's economic development," the paper notes. For the time being, however, Uzbekistan's economy "turns out not to be so bad in conditions of a financial crisis" given its relative isolation from world financial markets.

Anti-Karimov Play at Ilkhom

¶4. (C) Even the most obtuse member of the audience could not have missed the unflattering references to an autocratic president found in the premiere of a new play at the avant-garde Ilkhom Theater on Saturday evening. "Clay Letters, Floating Apples," by a young Tashkent writer, Anton Pakhomov, tells a nebulously Soviet-era tale of a cruel, powerful village chief who rules by rationing out scarce water in a remote corner of Uzbekistan. A new teacher from the big city, wise beyond his years, challenges the status quo successfully with some help from ethereal sources. Ambassador, DCM and PAO happened to attend the premiere (we did not know until afterwards that the play had a political sub-text). A member of the Sunshine Coalition asked Ambassador pointedly on the way out of the theater - "well, did you get the references?" and a member of the theater staff made a point of thanking us for attending, saying he hoped there would be no negative repercussions for the theater in airing this play. This is the kind of performance

the Ilkhom is known for, but we have not seen anything so clearly critical of the regime in quite some time. Whether the play is allowed to continue will be telling. We will watch this space.

CIS Bishkek Summit

15. (C) MFA Americas Department Director Mamajanov told the Ambassador Oct. 13 that "nothing unusual" had transpired at the CIS Summit in Bishkek - and in particular that Manas had not featured on the agenda. He did not seem unduly alarmed about any Russian pressure. He also said the Central Asian presidents reached a "gentleman's agreement" on water issues that might ease tensions this winter, although he intimated that difficulties between the Uzbek and Kyrgyz sides remained.

Karakalpakstan Chairman a Short-timer?

16. (C) The Government of Uzbekistan refused our request for a meeting in Nukus this week between the Ambassador and the Chairman of the Council of Ministers of Karakalpakstan on the grounds that the Chairman will be busy with issues related to the ongoing cotton harvest (the GOU has set up a meeting for the Ambassador with one of the Deputy Chairmen, however). One of our FSNs heard that President Karimov will be in the region at approximately the same time and intends to sack the Chairman, however*if true, this might account for the GOU's refusal to set up the meeting.

Prices Rise Sharply

17. (SBU) We have completed our in-house analysis of the cost of living in Uzbekistan through the first nine months of 2008. Compared with the cost of living at the end of 2007, prices have risen 29 percent overall. The cost of food has risen sharply, with a 43 percent increase in the cost of bread, a 64 percent increase in the price of flour, and a staggering 90 percent rise in the cost of rice. Municipal services and utilities also increased sharply by 45 percent. (Our full analysis in spreadsheet format is available upon request.)
NORLAND